

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF DIGITAL PAGING SYSTEMS,)
INC., FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY PURSUANT TO)
KRS 278.020 TO PROVIDE MOBILE RADIO)
TELEPHONE AND PAGING SERVICE TO THE)
PUBLIC AND TO INTERCONNECT THE PROPOSED) CASE NO. 8201
SYSTEM WITH SOUTH CENTRAL BELL TELEPHONE)
COMPANY, IN JEFFERSON COUNTY, KENTUCKY,)
FOR APPROVAL OF RATES, CHARGES, RULES)
AND RELATED MATTERS FOR SUCH SERVICE)

O R D E R

On April 7, 1981, Digital Paging Systems of Kentucky, Inc., ("Applicant") filed with the Commission its application seeking a certificate of public convenience and necessity and authorization to provide two-way mobile telephone service and paging service, including tone only and tone plus voice, with or without dual address, all with automatic dial access service. Applicant proposes to offer these services in the city of Louisville and Jefferson County, Kentucky.

Applicant proposes to construct or otherwise obtain all necessary facilities to provide the proposed service as more specifically set out in the application and evidence of record. Additionally, Applicant proposes to interconnect with South Central Bell Telephone Company in such manner as will be required to provide the proposed mobile telephone and paging services.

By Order dated April 9, 1981, the matter was set for hearing on April 24, 1981, at 9:00 a.m., Eastern Standard Time, in the Commission's office at Frankfort, Kentucky. Further, by Order dated April 20, 1981, the hearing was rescheduled for May 19, 1981, at 9:00 a.m., Eastern Daylight Time, at the same location. The hearing was held as scheduled and all parties of interest were given the opportunity to be heard. There were no intervenors present at the hearing. Additional information requested at the hearing was filed on June 12, 1981.

Discussion

The record herein establishes that Applicant is a Kentucky corporation duly authorized and intending to conduct the business of providing interconnected radio telephone and paging service to the public in Metropolitan Louisville and Jefferson County, Kentucky, which would constitute it a "non-energy utility" within the meaning of KRS 278.010 (5)(b) and required to obtain a certificate of convenience and necessity pursuant to KRS 278.020, thereby requiring an exercise of jurisdiction by this Commission. A copy of Applicant's Articles of Incorporation was tendered with its application herein in satisfaction of the requirements of 807 KAR 5.001E Section 7 (3) of the Commission's regulations.

Applicant has received authority from the Federal Communications Commission (FCC) to construct by September 20, 1981, and thereafter operate a radio transmitter on frequency 454.075 MHZ in Floyd County, Indiana, to offer and furnish fully automatic, interconnected mobile radio telephone and fully automatic, interconnected, tone-only, tone-and-voice, and dual address radio paging service to the public within Floyd and Clark Counties, Indiana, and Jefferson County, Kentucky. Said radio transmitter will broadcast into an area which

includes Metropolitan Louisville, Kentucky. By previous Order of the Indiana Public Service Commission (PSC) Digital Paging Service of Indiana, Inc., an affiliate of Applicant, is authorized to offer said services to the public in Floyd and Clark Counties, Indiana, at the same rates and under the same terms proposed in this filing to be offered to the public in Jefferson County, Kentucky.

The proposed serving area encompasses the city of Louisville and Jefferson County, Kentucky, and contains a population of approximately 850,000. Applicant surveyed this market area by means of telephone solicitations to ascertain the need and demand for the proposed services. Survey respondents consisted of towing services, beverage distributors, construction companies, contractors, realtors, cleaners, appraisers, funeral directors, professionals and general businesses selected at random. Applicant's proposed services, rates and charges, broadcast coverage, and applications to federal and state licensing agencies were fully described. Applicant received expressions of interest from 30 respondents who indicated requirements for 46 units. There is thus a need and demand for Applicant's services in the proposed market area and the operations of Applicant will not result in wasteful duplication of facilities or injury to the public.

The proposed broadcast facility will be located at New Albany, Indiana, and its control point will be situated in Louisville, Kentucky. The station will be under the supervision of a general manager with a full time, qualified technician to maintain and repair the proposed system who will be on call 24 hours a day seven days a week. Additional technical support will be available from

qualified technicians staffed as sister facilities in the Midwest. Sales, secretarial and administrative personnel will be employed as needed. Maintenance service for customer's units (pagers and mobile radio telephones) will be provided for all leased units by Applicant. Billing and other financial and administrative detail will be handled at offices in Englewood, New Jersey. Customers may either purchase, own and maintain their own units or lease units from Applicant who will service and maintain the leased units for a charge as proposed by Applicant.

Findings

The Commission, after consideration of the application and all evidence of record, and being advised, is of the opinion and finds that:

- 1) The public convenience and necessity require that such service as is proposed in the application and record be performed;
- 2) A certificate of public convenience and necessity should be granted;
- 3) The rates and charges proposed in the application and exhibits are fair, just, and reasonable, and should be effective with the institution of service.

IT IS THEREFORE ORDERED that Digital Paging Systems of Kentucky, Inc., be and it hereby is granted a certificate of public convenience and necessity to proceed with the provision of service as set forth in the application and record.

IT IS FURTHER ORDERED that Digital Paging Systems of Kentucky, Inc., be and hereby is authorized to borrow from Graphic Scanning Corporation, at an interest rate not to exceed the cost of money to Graphic Scanning Corporation, the funds necessary to construct the proposed

broadcast and control point facilities and operate same for three years and to execute, issue and deliver its note and other security documents to evidence such borrowings.

IT IS FURTHER ORDERED that Digital Paging Systems of Kentucky, Inc., shall file with the Commission, at least 30 days prior to the initiation of such service, its tariff setting forth its rules, regulations, and rates in the manner prescribed by the Regulations of the Commission.

IT IS FURTHER ORDERED that the rates and charges shown on Appendix "A" attached hereto and made a part hereof be and they hereby are approved effective with the institution of the service approved herein.

Done at Frankfort, Kentucky this 29th day of June 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

Katherine Randall
Vice Chairman

Alm Hargan
Commissioner

ATTEST:

Secretary

APPENDIX "A"

Appendix to an Order of the Public Service
Commission in Case No. 8201, dated June 29, 1981.

Schedule of Charges

<u>Monthly Services</u>	<u>Rate</u>
-Tone-only Paging Service	7.50
-Tone-only Paging Service with dual address	9.50
-Tone-only Paging Service including rental and maintenance of unit	19.00
-Tone-only Paging Service with dual address including rental and maintenance of unit	21.00
-Tone-plus-voice Paging Service	11.00
-Tone-plus-voice Paging Service including rental and maintenance of unit	25.00
-Two-way mobile radio service (including 100 minutes of airtime), Subscriber-owned and maintained	25.00
-Two-way mobile radio service (including 100 minutes of airtime), rental and maintenance of company owned unit	65.00
-For calls in excess of 100 minutes, per minute or portion thereof	.15
-For all accounts unpaid for more than thirty (30) days following the billing date	10% penalty